

**LOUISIANA PUBLIC HEALTH
INSTITUTE**

Audits of Financial Statements

June 30, 2012 and 2011



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LaPorte, APAC
111 Veterans Blvd. | Suite 600
Metairie, LA 70005
504.835.5522 | Fax 504.835.5535
LaPorte.com

Independent Auditor's Report

To the Board of Directors
Louisiana Public Health Institute

We have audited the accompanying statements of financial position of the Louisiana Public Health Institute (LPHI), as of June 30, 2012 and 2011, and the related statements of activities and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of LPHI's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Public Health Institute as of June 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 13, 2012, on our consideration of the Louisiana Public Health Institute's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

NEW ORLEANS HOUSTON BATON ROUGE COVINGTON

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The McGladrey Alliance is a premier affiliation of independent accounting and consulting firms. The McGladrey Alliance member firms maintain their name, autonomy and independence and are responsible for their own client fee arrangements, delivery of services and maintenance of client relationships.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of Louisiana Public Health Institute taken as a whole. The accompanying supplemental information included in the report (shown on pages 15 and 16) is presented for the purpose of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

August 13, 2012

LOUISIANA PUBLIC HEALTH INSTITUTE
Statements of Financial Position
June 30, 2012 and 2011

	2012	2011
Assets		
Cash and Cash Equivalents - Unrestricted	\$ 1,193,198	\$ 705,469
Grants Receivable	3,851,122	2,940,504
Due from NNPHI	253,000	235,557
Other Receivables	141,886	106,285
Cash and Cash Equivalents - Restricted	10,170,169	2,188,425
Furniture and Office Equipment, Net	16,329	41,128
Other Assets	1,325	1,325
Total Assets	\$ 15,627,029	\$ 6,218,693
Liabilities		
Accounts Payable	\$ 2,344,345	\$ 1,506,112
Accrued Liabilities	60,633	21,942
Due to Clinics - PCASG	-	1,335,939
Deferred Grant Revenue	11,650,493	2,094,190
Total Liabilities	14,055,471	4,958,183
Net Assets		
Unrestricted	1,437,292	1,150,885
Temporarily Restricted	134,266	109,625
Total Net Assets	1,571,558	1,260,510
Total Liabilities and Net Assets	\$ 15,627,029	\$ 6,218,693

The accompanying notes are an integral part of these financial statements.

LOUISIANA PUBLIC HEALTH INSTITUTE
Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2012

	Unrestricted	Temporarily Restricted	Total
Support and Revenue			
Grants and Contracts	\$ 21,825,325	\$ -	\$ 21,825,325
Contributions	-	162,332	162,332
Other Revenue	813,629	-	813,629
Interest Income	1,580	-	1,580
Net Assets Released from Restrictions	137,691	(137,691)	-
Total Support and Revenue	22,778,225	24,641	22,802,866
Expenses			
Program Services and Grants	21,822,945	-	21,822,945
General and Administrative	668,873	-	668,873
Total Expenses	22,491,818	-	22,491,818
Change in Net Assets	286,407	24,641	311,048
Net Assets, Beginning of Year	1,150,885	109,625	1,260,510
Net Assets, End of Year	\$ 1,437,292	\$ 134,266	\$ 1,571,558

The accompanying notes are an integral part of these financial statements.

LOUISIANA PUBLIC HEALTH INSTITUTE
Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2011

	Unrestricted	Temporarily Restricted	Total
Support and Revenue			
Grants and Contracts	\$ 18,292,505	\$ -	\$ 18,292,505
Contributions	-	143,003	143,003
Other Revenue	1,440,417	-	1,440,417
Interest Income	718	-	718
Net Assets Released from Restrictions	124,933	(124,933)	-
Total Support and Revenue	19,858,573	18,070	19,876,643
Expenses			
Program Services and Grants	18,770,387	-	18,770,387
General and Administrative	697,099	-	697,099
Total Expenses	19,467,486	-	19,467,486
Change in Net Assets	391,087	18,070	409,157
Net Assets, Beginning of Year	759,798	91,555	851,353
Net Assets, End of Year	\$ 1,150,885	\$ 109,625	\$ 1,260,510

The accompanying notes are an integral part of these financial statements.

LOUISIANA PUBLIC HEALTH INSTITUTE
Statements of Cash Flows
For the Years Ended June 30, 2012 and 2011

	2012	2011
Cash Flows from Operating Activities		
Change in Net Assets	\$ 311,048	\$ 409,157
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities		
Depreciation	24,799	32,016
(Increase) Decrease in:		
Grants Receivable	(1,970,719)	(1,194,677)
Due from NNPHI	(17,443)	(158,687)
Other Receivables	(35,601)	(59,553)
Increase (Decrease) in:		
Accounts Payable	1,898,334	183,700
Accrued Liabilities	38,691	(34,306)
Due to Clinics - PCASG	(1,335,939)	(3,873,911)
Deferred Grant Revenue	9,556,303	1,073,609
Net Cash Provided by (Used in) Operating Activities	8,469,473	(3,622,652)
Cash Flows from Investing Activities		
Capital Expenditures	-	(27,164)
(Increase) Decrease in Restricted Cash	(7,981,744)	3,016,382
Net Cash (Used in) Provided by Investing Activities	(7,981,744)	2,989,218
Net Increase (Decrease) in Cash and Cash Equivalents	487,729	(633,434)
Cash and Cash Equivalents, Beginning of Year	705,469	1,338,903
Cash and Cash Equivalents, End of Year	\$ 1,193,198	\$ 705,469

The accompanying notes are an integral part of these financial statements.

LOUISIANA PUBLIC HEALTH INSTITUTE

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Nature of Activities

The Louisiana Public Health Institute (LPHI) is an independent 501(c)(3) organization established in 1997. LPHI is a part of a growing movement of public health institutes in America. As a primary strategy, LPHI creates and fosters collaborative endeavors in the areas of health information, public policy, applied research, and community capacity enhancement. LPHI is dedicated to promoting the health and well-being of the people of Louisiana through public-private partnerships.

Basis of Accounting

LPHI prepares its financial statements in accordance with accounting principles generally accepted in the United States of America, involving the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Basis of Presentation

The financial statements are presented in accordance with the *Not-for-Profit Entities* Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Accordingly, LPHI is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. LPHI has no permanently restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Furniture and Office Equipment

Acquisitions of furniture and office equipment in excess of \$2,500 with an estimated useful life of three years or greater and acquisitions of computer equipment in excess of \$3,000 are capitalized. Furniture and office equipment are carried at cost or, if donated, at the approximate fair value at the date of the donation. Depreciation is computed using primarily the straight-line method over the estimated useful lives of the assets.

Contributions

Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Support that is restricted by a donor is reported as an increase in temporarily restricted or permanently restricted net assets, depending on the nature of the restrictions. When the restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets as net assets released from restrictions.

LOUISIANA PUBLIC HEALTH INSTITUTE

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Contributed Services

No amounts have been reflected in the financial statements for contributed services since the recognition criteria under accounting principles generally accepted in the United States of America have not been met.

Revenue and Expenses

Support for LPHI is provided primarily by grants funded by private foundations and by State and Federal agencies. Grant revenue is recognized as expenditures for allowable grant purposes are incurred. Grant funding received in advance of expenditures for allowable grant purposes is recognized as deferred revenue. Expenditures are to be made in accordance with grant budgets that have been adopted.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, LPHI considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Cash Flow Information

LPHI did not make any cash payments for interest or income taxes during the years ended June 30, 2012 and 2011.

Federal Income Taxes

LPHI is exempt from Federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code.

Note 2. Concentration of Risk

Economic Dependency

Support for LPHI is provided primarily by grants from private foundations and through agencies of the State of Louisiana and the Federal government. The continued operations of LPHI are dependent upon the renewal of current grants and/or the procurement of additional funding sources.

Cash Deposits

Although LPHI maintains cash in bank accounts in excess of FDIC insured limits, it has entered an agreement with its financial institution to invest its cash in overnight repurchase agreements in order to secure its cash balances.

LOUISIANA PUBLIC HEALTH INSTITUTE

Notes to Financial Statements

Note 3. Cash - Temporarily Restricted

During the year ended June 30, 2004, LPHI entered into a contract with the Louisiana Cancer Research Center (LCRC) whereby LPHI is to provide management, operational, and monitoring supervision of specific programs for the creation of the Louisiana Campaign for Tobacco-Free Living (TFL). Under the contract, LCRC advanced \$930,000 to LPHI. With these funds, LPHI established two separate bank accounts for the TFL; one account was established as an operating account, the other as a money market investment account. The funds within the account are to be used strictly for expenditures associated with the TFL. During the year ended June 30, 2005, LPHI closed the money market investment account.

During the year ended June 30, 2008, LPHI entered into a contract with the Louisiana Department of Health and Hospitals (DHH) to serve as the local partner for the Primary Care and Access Stabilization Grant (PCASG) program. In order to facilitate and segregate the funding to be received from DHH and the funding that LPHI would be required to remit to participating medical clinics; LPHI established a separate bank account with a financial institution. The PCASG program ended in March of 2012 expending all funds.

During the year ended June 30, 2011, LPHI entered into a contract with the W.K. Kellogg Foundation (Kellogg) to strengthen community-based access to physical and mental health services for school-age children and their families in New Orleans and neighboring communities by expanding school-based health centers. As required by the contract, LPHI maintains a separate accounting for the proceeds and unspent funds are deemed restricted for financial reporting purposes. In addition, LPHI is required to use all interest earned to further the project.

During the year ended June 30, 2012, LPHI entered into a grant agreement with BP Exploration & Production Inc., and BP American Production Company (collectively referred to as "BP") as part of the Gulf Region Health Outreach program to expand capacity for and access to high quality, sustainable, community-based healthcare services. As required by the grant agreement, LPHI is to maintain all unspent or uncommitted grant funds in highly liquid interest-bearing or income-earning investments. Any interest or other income generated by the grant must be applied to the purpose of the project.

During the year ended June 30, 2012, the United States District Court for the Eastern District of Louisiana approved a joint petition which named LPHI as the distributor of funds held in a charitable fund. As stated in the Court's order, these funds are required to be held in interest bearing accounts.

LOUISIANA PUBLIC HEALTH INSTITUTE

Notes to Financial Statements

Note 3. Cash - Temporarily Restricted (Continued)

A reconciliation of the amount of temporarily restricted cash reflected on the statements of financial position at June 30, 2012 and 2011 follows:

	2012	2011
Temporarily Restricted Cash - TFL	\$ 206,131	\$ 205,371
Temporarily Restricted Cash - PCASG	-	1,482,402
Temporarily Restricted Cash - Kellogg	504,048	500,652
Temporarily Restricted Cash - BP	2,189,247	-
Temporarily Restricted Cash - Other	<u>7,270,743</u>	-
Total	<u>\$10,170,169</u>	<u>\$ 2,188,425</u>

Note 4. Other Receivables

Other receivables consist of service related receivables which were \$141,886 and \$106,285, for years ended June 30, 2012 and 2011, respectively.

During the fiscal year ended June 30, 2008, LPHI began to earn fees for services related to information technology, communication, media, and program evaluations rendered to other agencies and not-for-profit organizations. This revenue is included in "Other Revenue" in the statements of activities and changes in net assets.

Note 5. Furniture and Office Equipment

Furniture and office equipment consist of the following at June 30th:

	2012	2011
Computer Equipment	\$ 180,849	\$ 180,849
Computer Software	8,184	8,184
Office Furniture	<u>6,584</u>	<u>6,584</u>
	195,617	195,617
Less: Accumulated Depreciation	<u>(179,288)</u>	<u>(154,489)</u>
Total	<u>\$ 16,329</u>	<u>\$ 41,128</u>

Depreciation expense for the years ended June 30, 2012 and 2011, totaled \$24,799 and \$32,016, respectively.

LOUISIANA PUBLIC HEALTH INSTITUTE

Notes to Financial Statements

Note 6. Due to Clinics - PCASG

As disclosed in Note 3, LPHI was named the local partner for the PCASG program. As local partner, LPHI's primary role is to serve as a conduit for federal funds being passed through the Louisiana Department of Health and Hospitals to approved medical clinics serving Orleans, Jefferson, and Plaquemines parishes, as well as to monitor the utilization of these funds and the overall performance of the approved clinics. At June 30, 2012 and 2011, the amount of funding approved, but not yet disbursed, to eligible medical clinics totaled \$0- and \$1,335,939, respectively.

Note 7. Temporarily Restricted Net Assets

Temporarily restricted net assets activity for the year ended June 30, 2012, consisted of the following:

	Beginning Balance	Contributions Received	Releases	Ending Balance
Louisiana Community AIDS Partnership Program	\$ 109,625	\$ 85,350	\$ (103,091)	\$ 91,884
Louisiana Youth and Young Adult Summit on Tobacco	-	5,000	(5,000)	-
Text4health Program	-	64,300	(29,600)	34,700
International AIDS Conference	-	7,682	-	7,682
Total	\$ 109,625	\$ 162,332	\$ (137,691)	\$ 134,266

Temporarily restricted net assets activity for the year ended June 30, 2011, consisted of the following:

	Beginning Balance	Contributions Received	Releases	Ending Balance
Louisiana Community AIDS Partnership Program	\$ 91,555	\$ 143,003	\$ (124,933)	\$ 109,625

LOUISIANA PUBLIC HEALTH INSTITUTE

Notes to Financial Statements

Note 8. Commitments and Contingencies

Leases

LPHI leases office facilities under an operating lease which expires in January 2017. Minimum future rental payments under this lease follow for the years ending June 30th:

Years	Amount
2013	\$ 308,598
2014	287,351
2015	267,104
2016	267,104
2017	<u>155,811</u>
Total	<u>\$ 1,285,968</u>

LPHI also leases office facilities on a month-to-month basis. Rent expense incurred during the years ended June 30, 2012 and 2011, totaled \$249,767 and \$239,110, respectively.

Line of Credit

At June 30, 2012 and 2011, LPHI had a \$150,000 unsecured line of credit available from a financial institution. LPHI had no balance outstanding with the line of credit as of June 30, 2012, nor as of June 30, 2011.

Note 9. Related Party Transactions

Grants and Contracts

Several of LPHI's board members are employed by organizations with which LPHI has grant agreements or contracts for services.

Due from NNPHI

During the year ended June 30, 2003, LPHI entered into an agreement with the National Network of Public Health Institutes (NNPHI) whereby LPHI is to provide supervision of NNPHI business activities and affairs. As part of this agreement, the Chief Executive Officer of LPHI serves as Chief Executive Officer of NNPHI, and reports directly to the board of directors of NNPHI. LPHI bills NNPHI monthly for management services rendered. The revenue associated with this agreement is included in "Other Revenue" in the statements of activities and changes in net assets. As of June 30, 2012 and 2011, LPHI had a balance due from NNPHI totaling \$253,000 and \$235,557, respectively, relating to services provided in accordance with the above service agreement.

LOUISIANA PUBLIC HEALTH INSTITUTE

Notes to Financial Statements

Note 10. Pension Plan

LPHI sponsors a defined contribution retirement plan established under Section 403(b) of the Internal Revenue code. The amount contributed by LPHI for the years ended June 30, 2012 and 2011, was \$299,241 and \$290,508, respectively.

Note 11. Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Note 12. Uncertain Tax Positions

LPHI accounts for uncertain tax positions in accordance with Financial Accounting Standards Board (FASB) ACS 740, *Income Taxes*. FASB ACS 740, *Income Taxes*, prescribes recognition threshold and measurement process for financial statement recognition of uncertain tax positions taken or expected to be taken in a tax return. The interpretation also provides guidance on recognition, derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. Management evaluated LPHI's tax positions for the year ended June 30, 2012, and concluded that the organization had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. LPHI's tax filings are subject to audit by various taxing authorities. LPHI's open audit periods are for the fiscal years ended June 30, 2009 through June 30, 2011.

Note 13. Subsequent Events

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of LPHI through August 13, 2012 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

SUPPLEMENTAL INFORMATION

LOUISIANA PUBLIC HEALTH INSTITUTE
Schedule of Program Services and Grants
For the Years Ended June 30, 2012 and 2011

Schedule I

Program/Grant	2012	2011
Louisiana Campaign for Tobacco-Free Living	\$ 5,895,051	\$ 7,278,948
Crescent City Beacon Community	4,706,995	701,057
Primary Care and Access Stabilization Grant	3,167,725	5,228,865
New Orleans Charitable Health Fund	1,221,627	-
Orleans Teen Pregnancy Prevention Project (4RealHealth) Year 2	1,148,621	-
OPH Tobacco Control Program	914,626	1,012,588
Kellogg: School Health Connection Phase Two	879,901	229,517
Orleans School Based Health Impact and Sustainability Program	671,746	336,336
Positive Charge: HIV/AIDS Initiative	383,474	344,204
Orleans Teen Pregnancy Prevention Program	374,704	527,407
Children's Special Health Services	267,194	262,216
Gulf Region Health Outreach Program	252,875	-
Evaluation: Special Projects	247,581	215,098
New Orleans Neighborhood Health Implementation Plan	194,539	255,837
Maternal and Child Health	191,232	91,643
REACH for Community Organizations to Respond and Evaluate (REACH-CORE)	164,640	-
Communications: Special Projects	143,647	46,528
Assessment of New Orleans Community Health Clinics	120,909	29,953
New Orleans Bike and Ped Infrastructure Initiative	112,405	106,318
Information Services: Special Projects	111,228	79,095
National AIDS Fund: LCAP Match	103,091	124,933
Regional Extension Center	83,351	834
Section of Environmental Epidemiology & Toxicology (SEET) Public Health Project	71,381	-
Hearing, Speech and Vision Program Epidemiologist	58,532	75,165
REACH Louisiana	55,720	110,543
Personal Responsibility Education Program	45,358	7,377
Research Triangle Institute: CHATS	42,299	21,692
Novo Nordisk: Text4health Evaluation	29,600	-
AIDS Social Marketing Campaign	28,583	2,005
Family Health International: HIV Prevention Trials Network Scholars Program	27,694	-
Louisiana SPNS Systems Linkage Project: HIV/AIDS	20,714	-
National Public Health Performance Standards Project	14,014	25,559
LA Community AIDS Partnership	10,540	16,740
GNO Primary Care Outreach Campaign	8,142	66,155
School & Community Wellness Collaboration	2,504	213,643
LA Workforce Commission- CDBG	-	287,392
Kellogg: School Health Connection	-	280,263
Collaborative to Improve Behavioral Healthcare Access	-	227,137
IS: Coordinated School-Based Health Centers	-	181,047
Ped and Bike Safety Campaign	-	166,625
State Oil Spill Assessment	-	70,000
School Health Connection: Supplemental Funding	-	31,987
Smash Hits: HIV/AIDS Initiative	-	30,610
SNAP Evaluation	-	20,000
Behavioral Health Services Dashboard	-	14,432
BCM: Behavioral Health Initiatives	-	7,131
Other *	50,702	43,507
Total Program Services and Grants	\$ 21,822,945	\$ 18,770,387

* Amount may vary from year to year depending on the level of significance for individual Program/Grants.

See independent auditor's report.

LOUISIANA PUBLIC HEALTH INSTITUTE
Schedule of Revenues and Expenditures - TFL
For the Year Ended June 30, 2012

Schedule II

Unrestricted Support and Revenue	
Grants Revenue - Government	\$ 5,895,050
Total Unrestricted Support and Revenue	5,895,050
Expenses	
Contractual	2,838,813
Salaries	1,402,967
Grants	372,675
Marketing	239,486
Sponsorships	181,639
Payroll Tax Expense	119,694
Meeting Costs	113,182
Health Insurance	105,811
Rent	97,069
Travel	94,824
Retirement Expense	86,935
Telephone and Communications	52,772
Software	40,655
Supplies	22,469
Monthly Parking	19,662
Equipment	19,522
Professional Fees - Other	19,159
Student Interns	15,311
Professional Fees - Audit	9,620
Conferences and Training	8,948
Dental Insurance	8,306
Worker's Comp	6,340
Insurance - General Liability	5,375
Unemployment Tax Expense	3,971
Postage	2,795
Dues and Memberships	2,235
Professional Fees - Accounting	2,028
Recruitment	1,623
Life Insurance	497
Insurance - Directors	483
Printing	118
Publications	66
Total Expenses	5,895,050
Expenses in Excess of Revenues	\$ -

See independent auditor's report.

OMB CIRCULAR A-133 SECTION

LOUISIANA PUBLIC HEALTH INSTITUTE
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

FEDERAL GRANTOR/ PASS-THROUGH AGENCY/ PROGRAM TITLE (per CFDA)	Federal CFDA Number	Program Name	Federal Expenditures
U.S. Department of Health and Human Services			
Direct Programs:			
ARRA - Health Information Technology - Beacon Communities Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.727	Crescent City Beacon Community	\$ 4,706,995
Teenage Pregnancy Prevention Program	93.283	REACH CORE	220,360
	93.297	Orleans Teen Pregnancy Prevention Program	<u>1,523,325</u>
Subtotal Department of Health and Human Services Direct Programs			<u>6,450,680</u>
Passed through Louisiana Department of Health and Hospitals:			
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	Primary Care and Access Stabilization Grant	3,167,725
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	OPH Tobacco Control Program Media	914,626
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	Hearing, Speech and Vision Program	58,532
Affordable Care Act Personal Responsibility Education Program	93.092	Personal Responsibility Education Program	45,358
PPHF 2012 National Public Health Improvement Initiative	93.507	National Public Health Performance Standards Project	14,014
Occupational Safety and Health Program	93.262	SEET Public Health Project	71,381
Special Projects of National Significance	93.928	Louisiana SPNS Systems Linkage Project: HIV/AIDS	20,714
HIV Care Formual Grants	93.917	HIV/AIDS Program	3,316
Maternal and Child Health Services Block Grant to the States	93.994	Children's Health Services	141,613
Maternal and Child Health Services Block Grant to the States	93.994	Maternal Child Health	191,232
Passed through Louisiana Healthcare Quality Forum:			
ARRA - Health Information Technology Regional Extension Centers Program	93.718	Regional Extension Center	<u>83,351</u>
Subtotal Department of Health and Human Services Pass-through Programs			<u>4,711,862</u>
Total U.S. Department of Health and Human Services			<u>11,162,542</u>
Total Expenditures of Federal Awards			<u><u>\$ 11,162,542</u></u>

See accompanying notes to schedule of expenditures of federal awards.

LOUISIANA PUBLIC HEALTH INSTITUTE

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2012

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Louisiana Public Health Institute and is prepared in accordance with the accrual method of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit-Organizations*.

Note 2. Subrecipients

Louisiana Public Health Institute provided federal awards to subrecipients as follows:

Program Title	Federal CFDA Number	Amount Provided
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	\$ 2,533,723
ARRA - Health Information Technology - Beacon Communities	93.727	497,659
Teenage Pregnancy Prevention Program	93.297	<u>753,355</u>
Total		<u>\$ 3,784,737</u>

**REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Louisiana Public Health Institute

We have audited the financial statements of Louisiana Public Health Institute (a nonprofit organization) as of and for the year ended June 30, 2012, and have issued our report thereon dated August 13, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audits we considered Louisiana Public Health Institute's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Louisiana Public Health Institute's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Louisiana Public Health Institute's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Louisiana Public Health Institute's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

* * * * *

This report is intended for the information of the Board of Directors, management, federal awarding agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana, and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



A Professional Accounting Corporation

August 13, 2012



LaPorte, APAC
111 Veterans Blvd. | Suite 600
Metairie, LA 70005
504.835.5522 | Fax 504.835.5535
LaPorte.com

**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE
A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

To the Board of Directors
Louisiana Public Health Institute

Compliance

We have audited the compliance of Louisiana Public Health Institute with the types of compliance requirements described in the *United States Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. Louisiana Public Health Institute's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Louisiana Public Health Institute's management. Our responsibility is to express an opinion on Louisiana Public Health Institute's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit-Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Louisiana Public Health Institute's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Louisiana Public Health Institute's compliance with those requirements.

In our opinion, Louisiana Public Health Institute complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

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The McGladrey Alliance is a premier affiliation of independent accounting and consulting firms. The McGladrey Alliance member firms maintain their name, autonomy and independence and are responsible for their own client fee arrangements, delivery of services and maintenance of client relationships.

Internal Control Over Compliance

Management of Louisiana Public Health Institute is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Louisiana Public Health Institute's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Louisiana Public Health Institute's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

* * * * *

This report is intended for the information and use of the Board of Directors, management, federal awarding agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana, and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



A Professional Accounting Corporation

August 13, 2012

LOUISIANA PUBLIC HEALTH INSTITUTE
Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2012

A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the financial statements of Louisiana Public Health Institute.
2. No significant deficiencies relating to the audit of the financial statements of Louisiana Public Health Institute are reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Louisiana Public Health Institute were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs is reported in the Independent Auditor's Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for Louisiana Public Health Institute expresses an unqualified opinion.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in Part C of this Schedule.
7. The programs tested as major programs included:

<u>Program Title</u>	<u>CFDA No.</u>
ARRA Health Information Technology - Beacon Communities	93.727
Maternal and Child Health Services Block Grant to the States	93.994

8. The threshold for distinguishing Types A and B programs was \$334,876.
9. Louisiana Public Health Institute was determined to be a low-risk auditee.

B. Findings - Financial Statements Audit

None.

C. Findings and Questioned Costs - Major Federal Award Programs Audit

None.

LOUISIANA PUBLIC HEALTH INSTITUTE
Schedule of Prior Year Findings

For the Year Ended June 30, 2012

A. Prior Year Findings

None.